



HOUSE BUDGET PROPOSAL 2009

- We are currently experiencing the worst budget crisis in Florida's history. We recognize that our state is facing unprecedented economic challenges and Floridians are concerned about their economic future.
- House Members have focused intently on their constitutional mandate to balance the budget. Our Members have reviewed the state budget line-by-line and have examined state government spending to make sure that we are focusing on the core missions of government and finding ways to make government more efficient and effective.
- Even in the face of historic budget deficits, the House has proposed a responsible state budget that reflects Florida's economic realities without penalizing Florida's families and businesses.
- It is a budget that prioritizes spending and protects per-student classroom dollars, continues to fund health care services to those in need, and makes sure that public safety is maintained.
- The House has used federal stimulus dollars thoughtfully and responsibly. We realize that these federal dollars are not a silver bullet to solving Florida's budget problems. The state's budget problems will only be solved by strengthening Florida's economy and helping create jobs for Floridians.

PREK-12 EDUCATION APPROPRIATIONS COMMITTEE

- The proposed budget for PreK-12 funding is \$13.4 billion, which is a 14.5% increase from last year.
- Reductions in classroom funding were limited by using \$865.5 million in federal stimulus dollars and by transferring funding that had been previously designated for capital costs to be used for operating costs to generate an additional \$380.1 million for public school operations.

Per-Student Funding

- Our proposed budget holds per-student funding harmless, raising per-student funding to a statewide average of \$6891.
- With our proposed increase in per-student funding, we will have increased funding for K-12 students by over 43%, or over \$2087 per-student, over the past ten years. The average per-student increase over the past ten years is \$229 per-student, per year.
- Even in tight budget times we continue to place a priority on classroom spending and making sure our children receive a world-class education.
- To provide additional funds for education during these challenging economic times, we are transferring funding that has been previously designated for capital costs to be used for operating costs and giving school districts flexibility to move those funds back to capital expenditures if needed for debt service payment or urgent construction needs.
- Because we understand the challenges school districts face during these difficult economic times, this proposal gives districts greater budgeting flexibility.

Dale Hickam Excellent Teaching Program

- We appreciate the extra effort teachers go to in pursuing certification and will continue award bonuses to certified teachers teaching in low-performing schools.
- The House proposal requires teachers who earn National Board Certification after July 1, 2009, to teach in low-performing schools in order to be eligible for a bonus.
- By requiring board-certified teachers to teach in low-performing schools, the House aims to encourage Florida's best and brightest teachers to teach the students that need their proven expertise the most.

Florida Virtual School

- We understand the valuable role Florida Virtual School (FLVS) plays in providing an excellent education to more than 52,000 students across the state.

- The House and Senate are taking different approaches regarding the future of FLVS, knowing that we have less money to spend.
 - The Senate is considering broad reductions that would not allow funding for non-core courses and would preclude students from taking foreign language courses or electives with FLVS.
 - The House proposal reduces funding, but does not specifically create new restrictions or eliminate funding for particular course offerings.
 - The House's budget would eliminate funding FLVS, like all other public schools, receives for class-size reduction. FLVS is exempt from class size requirements.
- I understand the potential impact of any reduction to FLVS and will advocate for a budget that minimizes the impact of our revenue shortfall on FLVS funding.

Funding for Categories Outside of Classroom Funding

- The House budget prioritizes per-student spending, because that is money spent in the classroom, on teachers and kids, but we recognize the value of other categories of education spending and used federal stimulus funds to mitigate the reduction to these programs.
- By using federal stimulus funds, reductions to other programs were minimized from 2-50%.

STATE AND COMMUNITY COLLEGES AND WORKFORCE APPROPRIATIONS COMMITTEE

- Including tuition, the proposed budget for State and Community Colleges and Workforce Appropriations is \$2.42 billion, a reduction of 2.5% from the current fiscal year.
- The House proposed budget includes \$103.2 million of federal stimulus funds.
- Our proposed budget limits reductions to Vocational Rehabilitation and Blind Services, community colleges, the baccalaureate program and workforce education programs.

Vocational Rehabilitation and Blind Services

- To maximize the use of our limited state funds, there was no reduction to state funds that are used for federal match (\$1 state to \$4 federal) for vocational rehabilitation and blind services.
- We had to make difficult decisions to reduce our state budget. We chose to reduce Adults with Disabilities, which is not federally matched, by \$6.7 million or 44%. This is the equivalent to a 10% reduction to the general revenue within Vocational Rehabilitation and Blind Services.

Workforce Education

- The proposed House budget utilizes \$27.8 in federal stimulus funds for workforce education.
- We recognize the importance of equipping Florida's students with job-ready skills and have protected funding for the Ready to Work program.

STATE UNIVERSITIES & PRIVATE COLLEGES APPROPRIATIONS COMMITTEE

- The proposed budget for State Universities & Private Colleges is \$3.86 billion, a 4.5% reduction from the current fiscal year.
- The House proposed budget limits reductions to state universities, medical schools and need-based financial aid.

Bright Futures

- Bright Futures will be funded \$384 million, an 11% reduction.
- High-achieving Florida students that earn an award through Bright Futures will be awarded scholarships ranging from \$1096 to \$3030.

Financial Aid

- We know that for many students, financial aid enables them to realize their goal of earning a college education.
- The House budget uses \$23.8 million from federal stimulus funds to minimize reductions to student financial aid.
- The reduction to the state's primary need-based aid program (Florida Student Assistance Grant) is limited to 2.5%.

Florida Resident Access Grant

- We recognize that for many Florida students, the Florida Resident Access Grant (FRAG) award enables them the opportunity to pursue a higher education degree and we have provided a great deal of protection for this award.
- FRAG was funded at \$84.2million, which will provide a maximum award of \$4529.

Medical Schools

- Within the university budget, additional funding of \$21.2 million is provided for the third-year implementation of the University of Central Florida and Florida International University Medical Schools.
- This funding provides 90% of the requested increase for these medical schools, which will allow these schools to continue building their programs to meet the demand for doctors in Florida.

HEALTH AND HUMAN SERVICES APPROPRIATIONS COMMITTEES (HEALTH CARE, HEALTHY SENIORS AND HUMAN SERVICES)

- During this time of historic budget shortfalls, the House is prioritizing health care spending and has made the decision to preserve eligibility and access to services to the greatest extent possible.
- The House utilized federal stimulus funds, including the increased federal Medicaid matching rate, to restore, fund and retain services to the greatest extent possible, including:
 - Medically Needy
 - MEDS AD
 - Cash Assistance
 - Homeless Prevention
 - Foster Care
 - Domestic Violence Prevention
 - Victim Services and Law Enforcement
 - Supplemental Nutrition Assistance Program Administration
 - Individuals with Disabilities Education Act Part C
- But in this tight budget year, even with federal stimulus money, the House had to reduce spending in certain health and human services programs.
- Within the health care budget, we examined our priorities and gave greatest weight to funding programs that provide services core to the missions of health and human services agencies and direct, critical services to Florida's most vulnerable citizens.

Agency for Health Care Administration (AHCA)

- The House prioritized its funding for AHCA by safeguarding quality of care, availability of services and eligibility for Florida's most vulnerable populations.
- Categories of Medicaid eligibility for Floridians were preserved.
- Although aspects of the Medically Needy and MEDS AD Programs were set to expire at the end of the 2008-2009 fiscal year, the House proposal fully restores these services, which will benefit 34,000 Floridians.
- The House proposal continues optional Medicaid adult dental, hearing, podiatric, chiropractic and hospice Medicaid services, and continues the adult vision services in a slightly modified form by allowing new eyeglass frames every two years instead of every year.
- The House proposal implements a funding mechanism to allow the state to draw down more federal dollars for Intermediate Care Facilities for the Developmentally Disabled in order to mitigate additional

rate reductions and to restore current and historical rate reductions. By implementing this mechanism, rates will be restored to their April 2008 levels. A similar proposal was passed during this year's Special Session for nursing homes.

- The House's proposal holds hospitals and HMOs harmless from Medicaid rate reductions and pharmaceutical ingredient costs for Medicaid providers were not reduced.
- Nursing Home Diversion slots are increased in this proposal. This will enable an additional 1000 Floridians to receive services, bringing the program total to 16,000.
- Funding for the Physician Upper Payment Limit program is increased due to growth in the program and the addition of all Florida Medical Schools to participate in the program. This increase will allow for an additional \$51 million in federal funds.
- The House proposal expands Medicaid fraud and abuse provisions to include prior authorization for Medicaid home health service visits not associated with a skilled nursing visit. The proposal requires AHCA to implement a home health monitoring pilot project in Miami-Dade County as well as a comprehensive home health care management pilot project by January 1, 2010. This will enable the state to achieve \$10.9 million in savings.
- The House proposal fully funds the Low Income Pool, Disproportionate Share and Hospital Exemptions programs.
- The House proposal reduces the projected Medicaid nursing home expenditures by 2.5%, effective July 1, 2009, but maintains flexibility for nursing staffing standards at the current 2.6% level to better enable nursing homes to absorb this reduction.
- Because hospice reimbursement rates are calculated as a percentage of nursing home rates and receive a corresponding reduction when nursing home rates are reduced, hospice reimbursement rates are reduced by 2.5% effective July 1, 2009.
- The House proposal reduces projected Medicaid County Health Department expenditures by 1.5% effective July 1, 2009.
- The House proposal reduces the projected surplus in Medicaid nursing home diversion expenditures based on anticipated cost data, which is effective September 1, 2009.
- The proposal adds six new hospitals (Baptist Hospital of Miami, Brandon Regional Medical Center, Florida Medical Center, Heart of Florida Regional Medical Center, Imperial Point Hospital and Naples Community Hospital) to receive an exempt rate which will increase their reimbursement through the Medicaid program.

- Additional Medicaid reimbursement is provided to Rural Hospitals and Children's Hospitals (Miami Children's and All Children's).

Department of Health (DOH)

- The House proposal includes an additional \$11.5 million in federal stimulus funds for the Individuals with Disabilities Education Act Part C. This 20.4% increase will increase early intervention services for infants and toddlers with disabilities.
- The proposal provides \$127.1 million in additional federal funds for nutrition programs administered by DOH.
- The proposal eliminates 479 vacant positions and 1 current position in the DOH budget.
- Contributions to County Health Departments for primary care, family planning, environmental health and infectious disease control services at County Health Departments are reduced by 10.1%.
- Children's medical services are reduced by 1.6%, while Area Health Education Centers are reduced by 28.6% and biomedical research by 52.5%.
- The Tobacco Education and Use Prevention program is increased by \$2.3 million.
- The House proposal restores county health department and Office of Disability Determinations positions – 12,997 – to the General Appropriations Act to provide for greater oversight and accountability.

Department of Children and Families (DCF)

- The proposal includes \$76.8 million in federal stimulus funds for cash assistance, homeless prevention, foster care, domestic violence prevention, victim services and law enforcement and Supplemental Nutrition Assistance Program administration for eligibility determination/technology enhancements.
- The House's proposal includes the privatization of the Northeast Florida State Hospital, providing an annual savings of \$6.6 million.
- The proposal restores nonrecurring maintenance adoption subsidies of \$14.2 million, and partial restoration - \$5.6 million - of community-based foster care services.
- The proposal also provides the annual 3% increase in Title IV-E waiver funds.
- The budget provides partial restoration of nonrecurring substance abuse services, nonrecurring mental health services and \$6.5 million distribution from earnings generated by community-based Medicaid administrative claiming to mental health and substance abuse providers.

- The proposal eliminates 61 vacant positions at DCF.

Agency for Persons with Disabilities (APD)

- The APD is increased by \$18.8 million, a 1.8% increase over the current year.
- The proposal reduces waiver services as a result of cost containment issues, such as consolidating durable and consumable medical equipment purchases, eliminating duplicate or redundant services and consolidating meaningful day activities.
- The proposal provides \$19.1 million to restore nonrecurring funding.
- The proposal eliminates 140 vacant positions in APD.

Department of Elder Affairs (DOEA)

- Funding for DOEA is increased by \$334.2 million over the 2008-09 appropriation for the Department.
- The House proposal reduces funding for the Home Care for the Elderly and Community Care for the Elderly Programs, but funds Elder Nutrition and Senior Employment programs with \$8.4 million in Trust Fund dollars pursuant the federal stimulus package.
- The proposal does not include funding for capital outlay projects.

Department of Veterans Affairs (DVA)

- Funding for DVA is increased \$12.5 million, which is a 21% increase over the 2008-09 appropriation for the Department.
- The House proposal increases benefit assistance funding by 56% for veterans who have been activated for the Global War on Terrorism since 9/11 by funding 39 staff members at all community colleges and public universities. Staff will aid veterans in obtaining educational benefits from the United States Department of Veterans' Affairs.
- The proposal adds initial staffing at the new St. Johns County State Veterans' Nursing Home and includes state matching funds for federal funding for construction of the St. Johns County Veterans' Nursing Home.
- The proposal adds \$1.8 million in Trust Funds for increased costs in operating existing State Veterans' Nursing Homes and \$1.4 million in Trust Funds for maintenance and repairs of existing facilities.

TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS COMMITTEE

Agency for Workforce Innovation

- Federal stimulus funds provide \$179.5 million to the Agency for Workforce Innovation to be split between the School Readiness Program and Workforce Programs.
- We are not reducing funding for the School Readiness Program and are providing enough funding for 166,500 slots.
- There is no reduction to funding for Regional Workforce Boards.

Department of Community Affairs

- Federal stimulus funds provide \$194.5 million to the Department of Community Affairs to be used to help fund Community Services Block Grants, Community Development Block Grants and Weatherization Grants.
- Regional Planning Councils receive funding from a variety of sources, including local government member dues, fees from developers applying for development of regional impact reviews and federal grants. We are providing \$2.5 million from non-recurring General Revenue.
- The Century Commission for a Sustainable Florida, created in 2005 to help establish 25 and 50 year goals in response to Florida's current and future challenges, will be eliminated due to the decline in estimated documentary stamp tax revenues.
- Funding for the Building Code Commission is being reduced due to a decline in permitting fees, which fund the Commission's activities.
- We are providing \$21.2 million in non-recurring General Revenue for state matching funds for federal disaster funding.

Office of Tourism, Trade, and Economic Development (OTTED)

- The House provides \$15 million for Film and Entertainment Incentives.
- We provide the Quick Action Closing Fund with \$10 million in non-recurring General Revenue.
- The House budget proposal gives \$25 million in funding for Visit Florida. This provides funding at the fiscal year 2006-07 level, which was typical before additional funding was provided for special advertising campaigns in fiscal years 2007-08 and 2008-09.

Department of State

- We provide direct aid to libraries, continuing our commitment to these services. Although we are reducing funds by \$4.3 million, it ensures that federal funds are not compromised.

Department of Highway Safety and Motor Vehicles

- Under the House proposed budget, there will be no eliminations of Florida Highway Patrol Officers.
- The House continues to find efficiencies and create value for taxpayers by consolidating seven drivers' license offices that have a low volume of transactions and are located in close proximity to another office.

Department of Military Affairs

- We are not reducing any positions in the Department of Military Affairs.

Department of Transportation

- The House budget provides \$5.8 billion for the first year of the 5-year Work Program.
- The American Recovery and Reinvestment Act of 2009 will provide \$1.35 billion for transportation projects. These funds are expected be appropriated by the Legislative Budget Commission in the current year.

Fee Increases

- Driver History Records fees (last increased in 1997)
 - 3-Year history from \$2.10 to \$10
 - 7-Year history from \$3.10 to \$14
- Penalties for Driver's License (DL) Reinstatements (passed the House in 2008)
 - DUI DL Reinstatements from \$47.50 to \$60
 - Suspended DL Reinstatements from \$35 to \$45
 - Reinstatements clear a suspended Commercial DL from \$60 to \$75
 - Reinstatement fee to clear a revocation or disqualification from \$60 to \$75
 - Administrative fee for revocations and suspensions for refusal to so submit to a breath, blood, or urine test from \$115 to \$130
- Late Payment Fees on Driver's License Renewals from \$1 to \$10 (last increased in 1991)
- Driver's License and ID Card Fees (last increased in 1991)
 - Original Driver License from \$27 to \$30
 - Driver License Renewal from \$20 to \$22

- Original ID from \$10 to \$11
- ID Renewal from \$10 to \$11
- Duplicates /Replacements Driver License or ID from \$10 to \$11
- Original Commercial Driver License from \$67 to \$74
- Vehicle Registration Fees (last increased in 1983)
 - Less than 2,500 lbs-\$14.50 increased to \$29
 - 2,500 lbs to 3,500 lbs-\$22.50 increased to \$45
 - More than 3,500 lbs.-\$32.50 increased to \$65
 - Basic fees for other types of vehicles, including heavy trucks and trailers, vary depending on weight. These existing fees range from \$45 for heavy trucks weighing between 5,001 lbs. and 6,000 lbs., up to \$979 for heavy trucks weighing more than 72,000 lbs.
- Specialty and Prestige License Plate Processing Fees from \$2 to \$5 (last increased in 1996)
- Fees for Motor Vehicle and Driver Lists from 1 cent per item to 5 cents per item (last increased in 1982)
- Driver License Knowledge and Skills Test Re-Exam Fees
 - Re-take exam fee for knowledge (written) test from \$5 to \$10
 - Re-take exam fee for skills (road) test from \$10 to \$20
- Vehicle Title Fees from \$24 to \$45 (last increased in 1989)
- Initial Registration Fees from \$100 to \$200 (last increased in 1989)
- Rebuilt Vehicle Inspection Fees-creates a \$20 fee

GOVERNMENT OPERATIONS APPROPRIATIONS COMMITTEE

Department of Financial Services

- The House's budget proposal reduces 59 vacant positions for a savings of \$3 million. Many positions have been vacant for over 360 days.
- We are giving \$1 million in new funding to process the Federal Stimulus Unemployment Compensation Payments for Agency for Workforce Innovation.
- Office of Insurance Regulation (OIR)
 - The House's budget reduces travel costs and the excess salary and expenses budget for a savings of \$1.4 million.
- Office of Financial Regulation (OFR)
 - The House's budget proposal reduces 16 vacant positions for a savings of \$852,858. Some of the positions have been vacant for over 360 days.
 - We are providing funding for five FTE to cover the projected increased workload of licensing approximately 26,000 unlicensed loan originators that federal law requires to be licensed before 12/31/09.

Department of the Lottery

- The reduction to the Department of Lottery budget is largely attributed to a \$14.6 million reduction in contract payments for the Instant-Ticket Scratch-Off games vendor due to lower negotiated rates and a decrease in the ticket sale growth projected by the Revenue Estimating Conference.
- The cost savings will result in \$14.6 million more dollars being made available for education.

Department of Management Services

- The House budget provides funding for building repairs, renovations, maintenance and the rising cost of utilities for buildings in the state facilities pool, to meet contract obligations, statutory mandates and to cover pension payments for members of the Florida National Guard.
- We reduced the Department of Management Services' excess operating budget by \$11.6 million.
- Our budget proposal continues to fund two aircrafts and the Executive Aircraft Program.

Public Service Commission

- There is less a than 1% reduction to the Public Service Commission budget.
- The Public Service Commission's budget is 100% trust funded and the reduction is to the Trust Fund budget.

Legislature

- The budget includes an 8.2% reduction in General Revenue in both the House and Senate budgets.

Executive Office of the Governor (excluding OTTED)

- Our budget includes a 5% reduction in General Revenue - \$1.2 million.
- The House budget includes \$156.4 million in federal stimulus funds for state energy conservation, efficiency and renewable energy projects.

Other

- At a time when Florida's private sector workers are struggling, public sector workers should not be immune from the economic downturn because taxpayers pay their salaries. When taxpayers have less, state government should look for ways to do more with less.
- The House budget:
 - Includes a graduated pay reduction for state employees:

\$0 to \$26,400	No reduction
\$26,400 to \$80,000	4% (except no one will be reduced below \$26,400)
\$80,001 and over	5%
 - Terminates the employer contribution for disability and life insurance effective January 1, 2010. Generates \$5.3 million in General Revenue and \$2.7 million in Trust Fund savings.
 - Includes an additional \$8.7 million in General Revenue and \$4.9 in Trust Funds to pay for a 5% increase in state employee health insurance premiums, effective May 1, 2010.

CRIMINAL AND CIVIL JUSTICE APPROPRIATIONS

Court System

- Our focus was on ensuring that constitutional due process was not hindered. No reductions were made to state attorneys, public defenders, Capital Collateral Regional Counsels and Regional Conflict Counsels.
- The Office of State Court Administrator is reduced by \$2.3 million.
- The Guardian Ad Litem program has increased in size by 200% over the last six years. This budget includes a reduction of \$7.6 million, reflecting the need of this program to share in needed reductions.

Department of Corrections

- Funding for prison beds will be increased to eliminate the need for early release.
- There are no reductions in vital probation or security officers who work with offenders and protect the public.
- Reducing headquarters and statewide administrative positions by \$9.5 million ensures that the personnel who protect the public are themselves protected.
- Substance abuse treatment is reduced by \$10 million. However, \$14 million in federal stimulus grant funding for Drug Court will help divert offenders who would otherwise need substance abuse treatment while incarcerated.

Department of Juvenile Justice

- There are no reductions to either PACE Center for Girls or Child In Need of Services / Families In Need of Services. An additional \$0.50 surcharge will be added to each license tax (\$1.00 - \$1.50) to allow the continued funding of these programs.
- Only positions involving supervisory and executive direction positions will face a reduction of \$2.8 million.

Department of Law Enforcement

- There are no proposed reductions to sworn officers. Only investigative administrative support and program staff will be reduced (\$1.1 million).
- No crime labs are affected by proposed budget reductions.

Legal Affairs/Attorney General

- Minimal reductions were taken across each entity, with the exception of victim services which took no reduction.
- Fund shifts have continued in order to lessen the impact to personnel and operations.

Parole Commission

- The House proposed budget protects funding for the Parole Commission, no reductions were made to this entity.
- All clemency and restoration of civil rights activities and personnel are held harmless.

NATURAL RESOURCES APPROPRIATIONS COMMITTEE

Department of Agriculture and Consumer Services

- The reduction of 92 positions is limited to vacant positions. This protects the jobs of actual agency personnel.
- The House budget proposal fully funds Farm Share and Food Banks at \$525,000.
- The proposed budget also increases funding to help eliminate the backlog in processing concealed weapons permit applications.
- Several fees including a Weights and Measures Fee, Fertilizer Brand Registration Fee and Seed Fee have been increased to help mitigate the lack of revenue to pay for vital personnel and services.

Department of Citrus

- Negligible reductions to vacant positions (8 FTE) help decrease the department's budget by 0.4%, or \$334,000.

Department of Environmental Protection

- This proposal ensures that no employees will lose their job.
- All programs that rely on bonding are suspended in the proposed budget including Comprehensive Everglades Restoration Program, Lake Okeechobee restoration and the Florida Forever statewide land buying program.
- Non-match federal stimulus dollars will be used to help fund the State Revolving Fund Program and Small Community Wastewater Treatment Program. These funds are used to help plan, design and construct drinking water, wastewater and storm water projects throughout the state.
- \$130 million is being transferred from the Underground Storage Tank Program to help General Revenue. This leaves \$35 million for programmatic activities.
- Even with drastic revenue decreased, the proposed budget manages to maintain the ability to fund the Beach Restoration Program up to \$12.2 million.
- A solid waste disposal fee of \$1.25 per ton will produce \$25 million for General Revenue.

Fish and Wildlife Conservation Commission

- This proposal includes no reduction in actual law enforcement personnel.

- Funding for Marine Mammal Care (Manatees) is directed to General Revenue.
- \$2.5 million in Red Tide research is redirected to General Revenue.